

## ANNUAL BUSINESS CONDITIONS SURVEY COMPLETED BY LOCAL EMPLOYERS

During the month of January, one-hundred and fifty Mendocino County area businesses completed an online survey about business conditions in Mendocino County.

The annual survey, sponsored by the Employers Council of Mendocino County (ECMC), asked businesses how they performed in 2012 what their hiring projections will be for 2013.

More than half said that the condition of their business made an improvement in 2012 in comparison to 2011. Half are also forecasting additional improvement in 2013. However, 73% are anticipating no hiring increases in 2013.

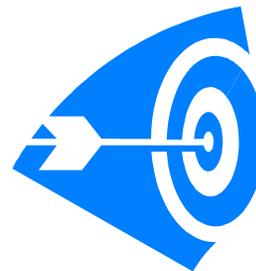
“Overall, I think it is reasonable to say that business are optimistic about 2013 but not optimistic enough to make an investment by hiring additional workers.” said Tony Shaw, Executive Director of the Employers Council of Mendocino County.

Some businesses shared their desire to hire one or two full-time employees, but instead would add more hours to existing staff or use part-time and temporary workers.

“Promote Mendocino County Tourism & Products” and “Reduce Regulatory Burden” were the top suggestions from business to the question, what can be done locally to support business activity

and employment opportunities. Other ideas from businesses included “recruiting non-retail businesses” and “buy local –shop local first”.

In addition to ECMC, other business organizations helped by distributing the survey to their membership. Those organizations were the Mendocino County Farm Bureau, the North Coast Builders Exchange, and local Chambers of Commerce.



### Comments By Local Businesses About Business Conditions

*“Hard to compete against unlicensed and under the table small contractors.” “...businesses are having a hard time finding trained or trainable work force.” “...conditions continue to be stagnant, it’s a challenge for us each month to keep the doors open.” “Generally I have heard people have found the economy to be turning and are still cautious with their expectations.” It was more costly for us in 2012 to stay in business, and when combined with shrinking customer base, we had very little profit overall.” “... it seems like the pool of prospective employees is shrinking and most of our new management applicants live in Sonoma county and elsewhere.” “...there is no traffic movement driving down main street at night.” “Proceeding with caution, this will be a better year.”*

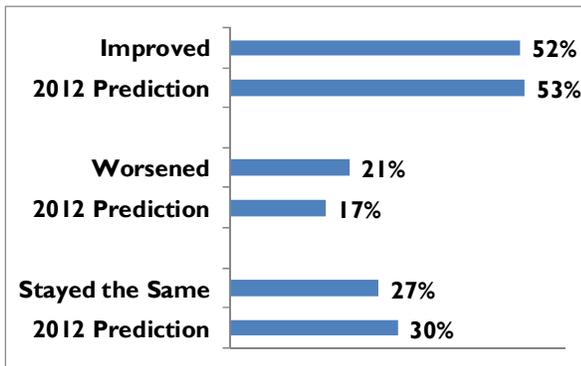
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#### Economic Development Actions:

- Business Expansion is a focused effort to help local business to become more competitive and profitable to add jobs.
- Business Retention can be a problem solving process to help business become profitable to retain jobs.
- Business Attraction can be a strategy to recruit new employers to use underutilized community assets and resources to create job opportunities.

**How did your business' condition in 2012 compare with 2011?**



*"There was slightly more work to bid for but we had to bid at our cost to win work."*

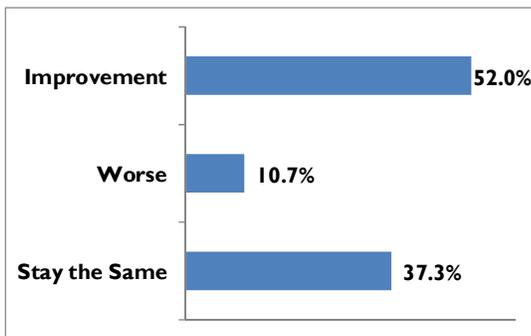
*"Gross Sales increased by 3%"*

*"End net was about equal. "*

*"revenues increased by 11%."*

*"Costs continue to rise while income stays flat or decreased slightly"*

**Over the course of this year (2013) how are you anticipating your business' condition to be?**



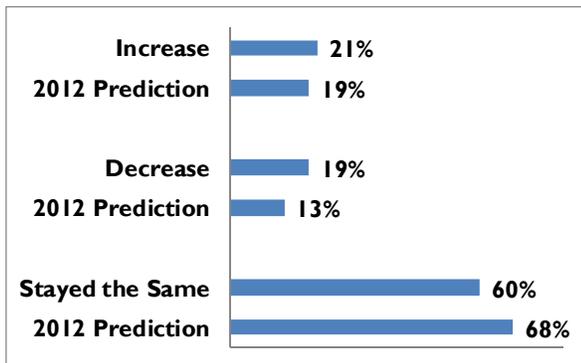
*"We intend to improve our marketing to increase tourist visits."*

*"We plan to grow each year, of course."*

*"May have to cut back some more."*

*"I am projecting growth to support the hiring of one employee."*

**During 2012, Did Hiring?**



*"Still down by 30%"*

*"Did not hire usual extra employees for busy season."*

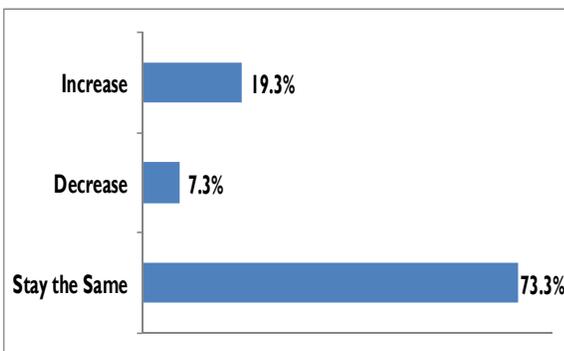
*"Employees who quit were not replaced."*

*"Did not hire employees in 2012."*

*"We added one full-time position."*

*"We just kept our same guys busier."*

**In this year, 2013, your hiring will:**



*"Looking to hire at least 1 employee"*

*"We hope to add another full-time position."*

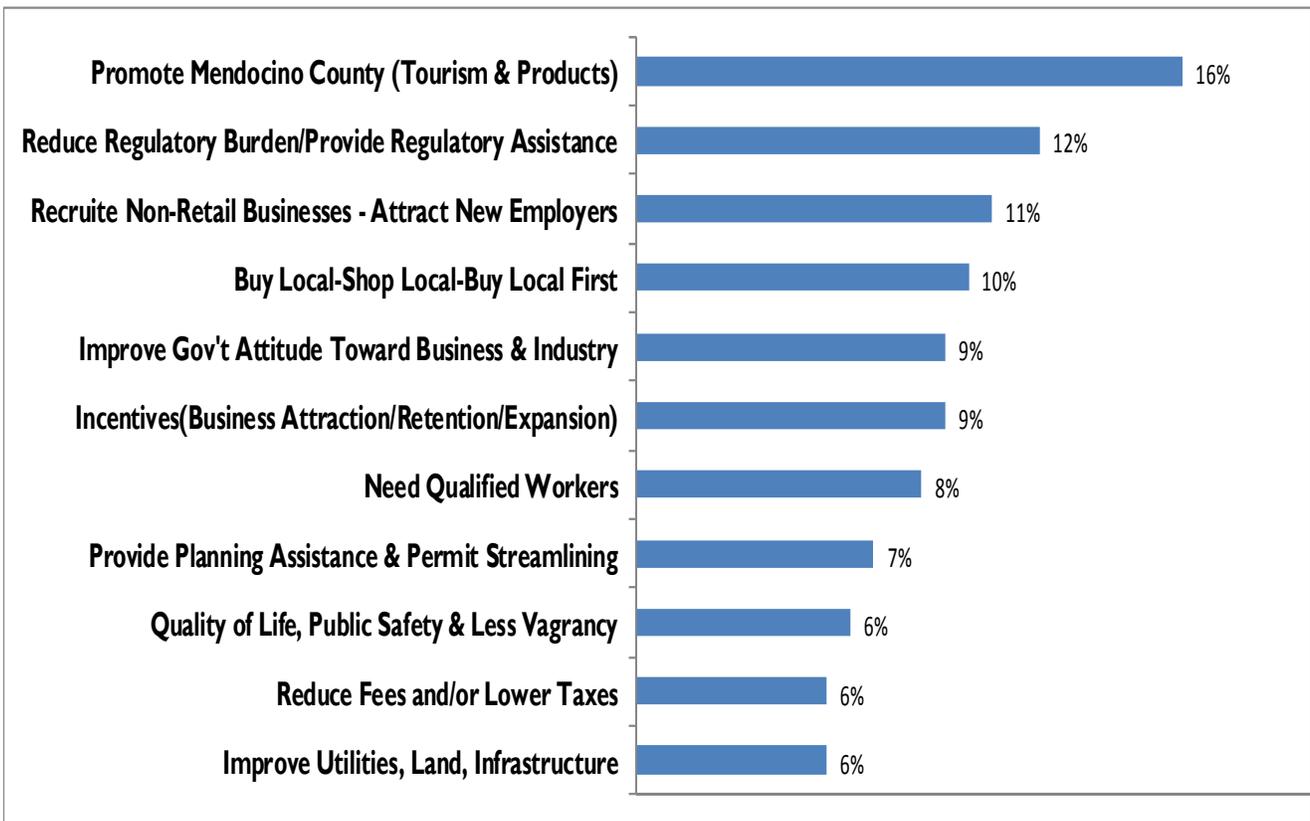
*"Hoping for some longevity with our current employees."*

*"adding 2 seasonal part time"*

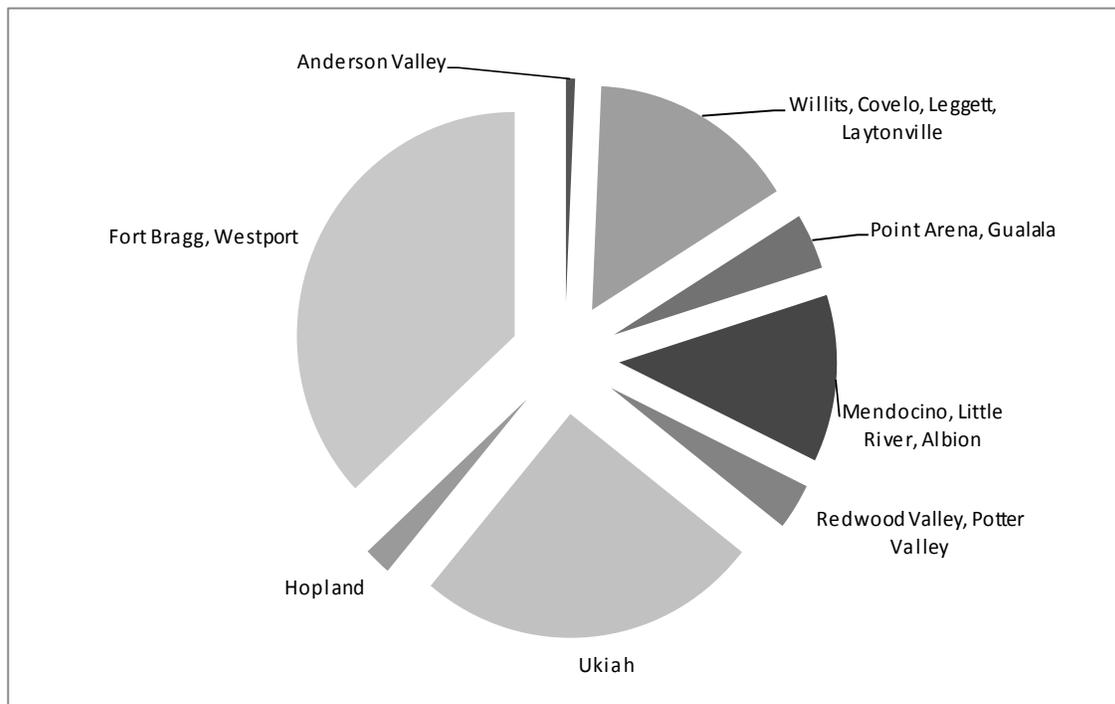
*"Might be able to hire back but long term is unstable"*

*"We are bringing in an apprentice program."*

**What can be done locally to support business activity and employment opportunities?**



**Response Distribution**





597B  
South Main Street  
Ukiah, California  
95492

Phone: 707-462-5021  
Fax: 707-472-2502  
Email: [ecmc@pacific.net](mailto:ecmc@pacific.net)

**About ECMC:**

The Employers Council of Mendocino County is a professionally managed non-profit membership based trade association. ECMC’s mission is to inform and persuade local government and communities that allowing private sector employers to function with reasonable local government financial and regulatory burdens benefits the overall community through the creation of jobs, family incomes and tax base to support local services.

**ECMC POSITION ON ISSUES**

- ◆ We support the notion that government represents its constituents before itself.
- ◆ We oppose the substitution of fees for general taxes and support the reduction of existing fees when justified.
- ◆ We support use of local private business by government whenever such use is cost effective.
- ◆ We support cost-effective operation of government and urge use of cost benefit analysis and the implementation of modern technology when supported by this analysis.
- ◆ We support open, efficient and non-duplicative government.
- ◆ We oppose lawsuits between governments at any level. We will offer to serve as a mediator as a means to avoiding such lawsuits.

To the ECMC members who made this report possible, and to the Mendocino County Farm Bureau, the North Coast Builders Exchange and the Chambers of Commerce who distributed the online survey to their membership, we thank you!

**Survey Methodology**

The methods used to prepare this report started with the use of a web based survey tool. The Employers Council of Mendocino County (ECMC) wrote the survey questions and then invited Mendocino County area businesses to participate in the survey on the basis of first come first served. Invitations to participate in the survey were offered and distributed by several sources, mostly by email communication. The survey allows permit respondents to remain anonymous but captures zip code information to allow for the elimination of responses from any non-Mendocino county area businesses. Zip code information is presented in this report to show the final geographic distribution of participants. Responses were automatically tabulated by the on-line survey

provider and written comments were manually tabulated by ECMC using a key-word process. The information contained in this report is a compilation of responses and opinions from the first 150 private sector businesses who successfully completed the survey and does not represent an official position of the ECMC or its Board of Directors. The information contained in this report should not be considered as a statistically valid sample or used for forecasting future business conditions.

*“Either write something worth reading or do something worth writing.” - Benjamin Franklin*